

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



**CORRECTED
FISCAL MEMORANDUM**

SB 2899 – HB 3479

May 18, 2010

SUMMARY OF AMENDMENT (018657): Adds language to the original bill that limits eligibility for the Hope Scholarship only to those students who meet all applicable and general requirements and who are entering freshmen at any private postsecondary institution that were ineligible during FY09-10.

FISCAL IMPACT OF ORIGINAL BILL:

Other Fiscal Impact – Increases the expenditure of lottery proceeds earmarked for scholarships and grants by an amount exceeding \$100,000 per year.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

On May 17, 2010, a fiscal memorandum was issued for this bill as amended indicating an *other fiscal impact stating an increase of expenditure from lottery proceeds earmarked for scholarships and grants by an amount estimated to be \$72,000 per year*. Based on additional information, the fiscal impact of this bill as amended is estimated as follows:

(CORRECTED)

Other Fiscal Impact – Increases the expenditure of lottery proceeds earmarked for scholarships and grants by an amount estimated to be \$36,000 per year.

Assumptions applied to amendment:

- According to the Tennessee Student Assistance Corporation (TSAC), Hiwassee College (HC) and Tennessee Temple (TT) are the only additional institutions that would become eligible postsecondary institutions under this bill as amended.
- Under current law, all students who attend HC and TT are ineligible for the Hope Scholarships. Under the proposed bill as amended, all incoming freshmen who are academically eligible that enroll at either HC or TT would be authorized to receive Hope Scholarships.
- The fiscal impact of this bill as amended is dependent upon the number of academically-eligible students who will enroll at HC or TT as freshmen that would have enrolled at the institutions in the absence of this legislation and despite the institutions' ineligible Hope status under current law.

SB 2899 – HB 3479 (CORRECTED)

- Based on the information provided by TSAC, it is estimated that at least nine freshmen students combined will enroll at HC and TT that would have elected to attend these schools in the absence of this legislation.
- The increase of expenditures from the Lottery for Education Account is estimated to be \$36,000 per year (9 students x \$4,000 scholarship = \$36,000).

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized initial "J".

James W. White, Executive Director

/rnc